

**Synopsis of remarks made by Bruce Wolfson, Of Counsel, Bingham, on an American Task Force Argentina media teleconference, Monday, June 23, 2014**

There is a lot of news and some of it conflicting news, and I want to provide as much factual information as possible.

The first thing is the \$15 billion of holdout obligations. There is no clarity about that figure. What is clear is that those arguing acknowledge that this includes a lot of debt that is not the same as the NML debt.

By even the most aggressive estimates, the amount outstanding under the fiscal agency agreement in which the famous *pari passu* clause appeared is somewhere around \$6 billion. That's the outside number. It is only holders of debt under that agreement -- with that *pari passu* clause and the same treatment by Argentina as NML, Aurelius and the other plaintiffs in the *pari passu* case -- only those holders might look to this judgment as a short cut to the court house.

A court could raise further questions; and we will see in coming days how many people actually do come forward, and if they do come forward how many have immediate success and how many have to go through a lengthier process. But that is at most less than half of the \$15 billion figure that is out there.

The *pari passu* case is a breach-of-contract case. Holdouts are trying to force the government to honor its promise to treat them equally. That is one set of cases.

There are other cases where holders have gotten judgments -- one, famously, is what is called the discovery case on which the Supreme Court simultaneously ruled last week. In that case the judge issued subpoenas ordering discovery in connections with a judgment against Argentina to help the bondholders try to find Argentine assets.

In addition there are several other lawsuits and investors that have never instituted legal proceedings of any kind.

The \$15 billion is a questionable figure it includes a lot of people with various claims some of these with *pari passu* clauses governed by German or English law where the *pari passu* interpretation hasn't been established.

These "me-toos" are considerably less of an immediate issue than some more dramatic reports would indicate. Many claims may be affected by jurisdictional issues. There have been indications in Europe that the meaning of *pari passu* in NY might not be the same in German or English courts. There is no certainty that a lawsuit there would result in the same result even though they would have a *pari passu* clause. Those bond holders have not sued yet.

The last issue that has been raised has to do with the RUFO clause. It says that if Argentina voluntarily makes an offer to purchase or exchange holdout bonds it would have to offer the same terms to the exchange bond holders.

It is very technical. First, there is a real question of what voluntary means. Argentina has fought very hard to not pay the holdouts. It has gone to the Supreme Court of the United States twice and lost. If Argentina were to settle now, to avoid a default that it has described as a calamity, that would hardly conform to a common sense understanding of voluntary. That is the question: if it is not a voluntary payment there is no RUFO.

Argentina has many options to settle with holdouts. The papers are full of speculation. Creative banks have submitted proposals to the government on how best to settle. I believe there is an option out there that would deal with the RUFO risk in a way that would allow Argentina to avoid the "calamity" of default. Everyone who is looking at the Argentine debt crisis is focusing on it. The RUFO clause is not an obstacle to settlement.

It is very interesting that we hear reports that it is a bad thing that a settlement with NML might require Argentina to settle with its other holdout creditors. Whatever the number of potential "me too" bondholders is, Argentina owes them money and must settle. The *pari passu* case may open the door to negotiations that will end the threat of litigation, lower borrowing costs and enable Argentina to return to the capital markets. This would serve the interests of the Argentine people who have been suffering for too long. I am hopeful that today's developments, including the appointment of a special master and Argentina's promise to engage in good faith negotiations with the holdouts, will lead to a long-overdue resolution of this sad chapter in the history of a great country.

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